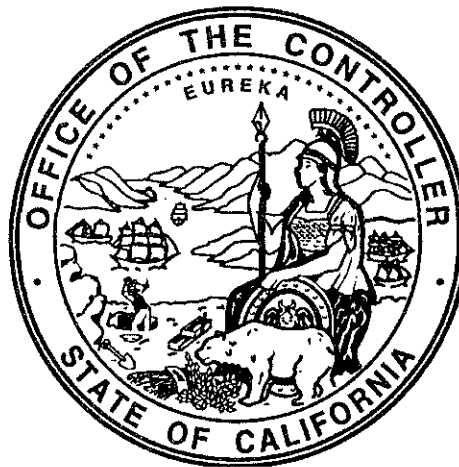


State of California

Supplemental Law Enforcement Services Fund (SLESF) Annual Report

Fiscal Years Ended June 30, 1997 and 1998



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Supplemental Law Enforcement Services Fund Annual Report

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Introduction

Assembly Bill 3229, Chapter 134, effective July 10, 1996, added Government Code Sections (GC) 30061 through 30065 requiring that cities and counties establish the Supplemental Law Enforcement Services Fund (SLESF) to receive all moneys allocated to the 58 counties for purposes of implementing the Supplemental Law Enforcement Grant program. The Supplemental Law Enforcement Grant provided \$100,000,000 each year for fiscal years ended June 30, 1997 and 1998, which was distributed to the 58 counties based on population as specified in the most recent January estimate produced by the population research unit of the Department of Finance. The 58 counties distributed the Supplemental Law Enforcement Grant moneys received from the State to the Sheriff, Jails or Department of Correction, District Attorney, Cities, and Special Districts based on a formula specified in GC §30061. All local government entities receiving money from the Supplemental Law Enforcement Grant are required to report revenue and expenditure detail to the county's Supplemental Law Enforcement Oversight Committee (SLEOC). The SLEOC is responsible for compiling this information in a standardized format prescribed by the State Controller.

The standardized format of this annual report was developed in conjunction with the California District Attorneys Association, California Police Chiefs' Association, California State Sheriffs' Association, California Peace Officers' Association, State Association of County Auditors, and California Municipal Treasurers' Association. GC §30063 required each county's SLEOC to file this report with the State Controller on or before October 15, 1998.

Financial

The standardized forms were developed to report, on a cash basis, each county's SLESF beginning and ending fund balances, revenues, and expenditures. In addition, a statistical data section is included to report law enforcement positions funded by the grant moneys. The beginning and ending fund balance amounts reflect the current and prior SLESF allocations that have not yet been disbursed by the counties and/or cities.

The revenue categories are State Funding, Interest Revenue, and Other Revenue. The State Funding amount is the initial distribution made by the State Controller to each county. Interest Revenue includes interest earned at the county level, as well as at the city or special district level. Other Revenue can be a reimbursement for an overpayment of expenditures or, in cases where the city contracts with the Sheriff to provide law enforcement services, the city may transfer its SLESF allocation to the Sheriff for expenditure.

The expenditure categories are Salaries and Benefits, Services and Supplies, Equipment, and Administrative Overhead. Pursuant to law, these moneys shall supplement existing services and shall not be used to supplant any existing funding for law enforcement services. Allowable expenditures are determined by the SLEOC of each county. The law further states that administrative overhead may not exceed ½% of the recipient entity's SLESF allocation for that year.

Figure 1 illustrates the percentage of moneys made available in fiscal year 1996-97 from State Funding (98.4%), Interest Revenue (1.6%), and Other Revenue (0.0%).

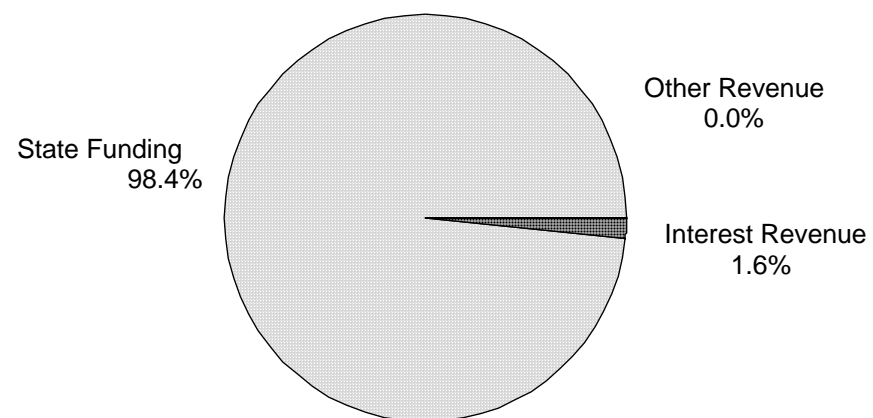
Figure 2 illustrates the percentage of moneys made available in fiscal year 1997-98 from State Funding (96.8%), Interest Revenue (3.2%), and Other Revenue (0.0%).

Figure 3 illustrates the percentage of moneys expended in fiscal year 1996-97 for Salaries and Benefits (47.0), Services and Supplies (16.3%), Equipment (36.6%), and Administrative Overhead (0.1%).

Figure 4 illustrates the percentage of moneys expended in fiscal year 1997-98 for Salaries and Benefits (56.2), Services and Supplies (15.1%), Equipment (28.6%), and Administrative Overhead (0.1%).

Figure 1**Total Revenues by Source**

Fiscal Year 1996-97

**Figure 2****Total Revenues by Source**

Fiscal Year 1997-98

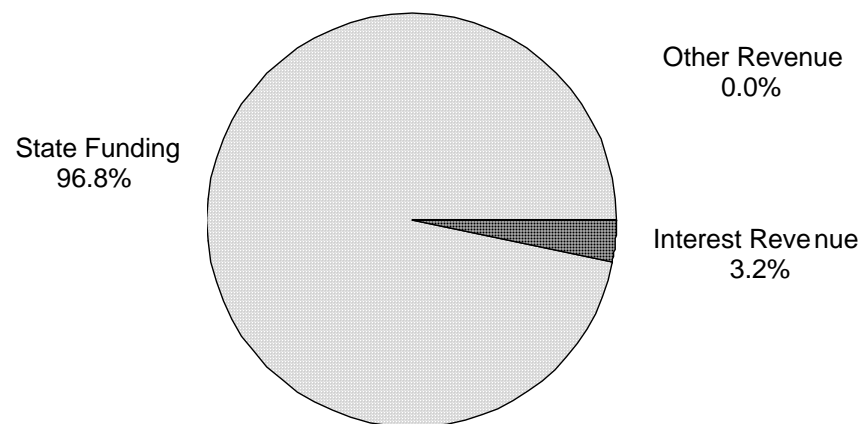


Figure 3

Total Expenditures by Classification
Fiscal Year 1996-97

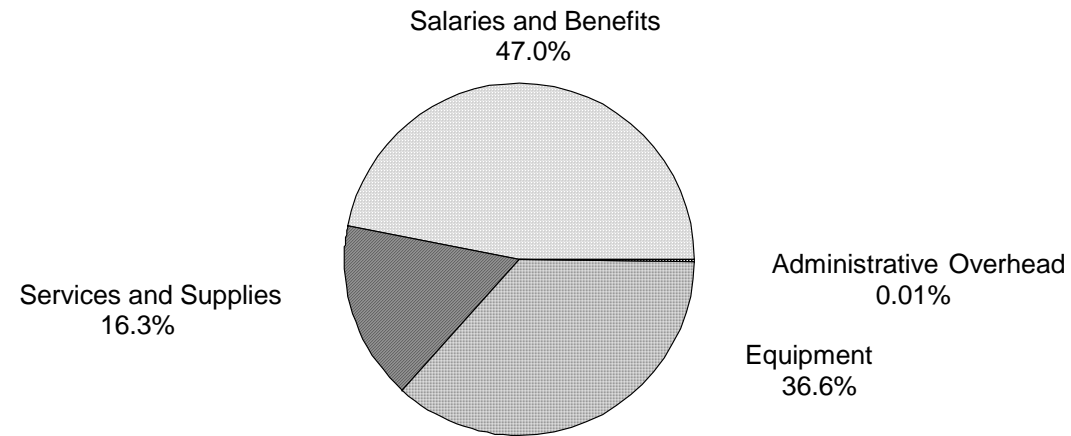
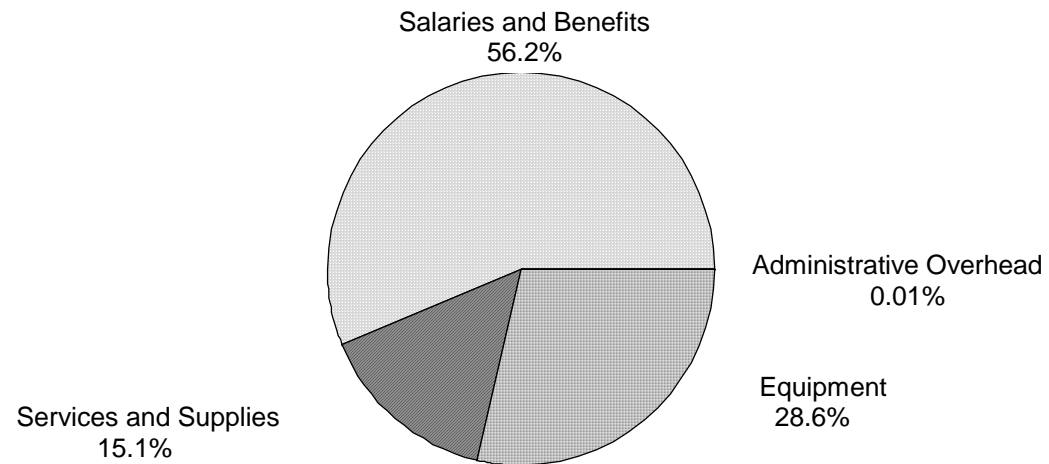


Figure 4

Total Expenditures by Classification
Fiscal Year 1997-98



Statistical

The statistical data section is included to inform interested parties of the number of full-time equivalent (FTE) supplemental front-line positions financed by the Supplemental Law Enforcement Grant and should correspond to the amount contained on the Salaries and Benefits expenditure line.

For example, SLESF moneys used by a county to hire three sworn officers, 100% state funded, on April 1, 1997, would be recorded in the fiscal year ending June 30, 1997, as:

$3 \text{ positions} \times (3 \text{ months}/12 \text{ months}) \times 100\% \text{ state funding} = 0.75 \text{ FTE}$

Should those same three sworn officers continue to work through fiscal year ending June 30, 1998, the charge would be:

$3 \text{ positions} \times (12 \text{ months}/12 \text{ months}) \times 100\% \text{ state funding} = 3.00 \text{ FTE.}$

If the three officers in the prior example were funded 80% from federal grant moneys and 20% from state funding, the results for fiscal years ending June 30, 1997, and 1998, respectively, would be:

$3 \text{ positions} \times (3 \text{ months}/12 \text{ months}) \times 20\% \text{ state funding} = 0.15 \text{ FTE.}$

$3 \text{ positions} \times (12 \text{ months}/12 \text{ months}) \times 20\% \text{ state funding} = 0.60 \text{ FTE.}$

Please note that only SLESF funding, interest earned on SLESF moneys, and subsequent expenditures are reported on the SLESF annual report.

If the funds are used to supplement law enforcement by paying overtime to existing employees, the FTE is calculated based on the total salaries and benefits expenditure divided by the average cost of the positions incurring the overtime without allowance for time and a half or double time pay. FTE's are a result of calculation and may not reflect the actual number of new positions.

For example, \$185,000.00 is listed on the Salaries and Benefits line in the county column. All of this is due to allowable sworn officer overtime. The average salaries and benefits for one sworn deputy in the county is \$50,000.00. Therefore, $\$185,000.00 / \$50,000.00 = 3.70 \text{ FTE.}$

Compliance

The following table shows the three counties and five cities that failed to file their SLESF Annual Reports for fiscal years ended June 30, 1997 and/or 1998, and the amounts of state funding allocated to those counties and cities. Due to this failure to file, the State Controller's Office is unable to provide the expenditure detail for approximately 29.4% and 29.6% of the Supplemental Law Enforcement Grant for fiscal years ended June 30, 1997 and 1998, respectively. Therefore, the ending fund balance as of June 30, 1997 and 1998, may be overstated by the amount of unreported expenditures. In order to show that the entire Supplemental Law Enforcement Grant has been distributed by the State Controller's Office for fiscal years ended June 30, 1997 and 1998, the amounts shown are included in the revenue detail in both Table 1 and Table 2.

Non-Filing SLESF	June 30, 1997	June 30, 1998
Los Angeles County	\$ 29,071,101.00	\$ 29,097,108.00
Sierra County	10,521.00	—
Tuolumne County	—	159,957.00
Monterey County		
City of Del Rey Oaks	3,886.00	3,818.00
Santa Clara County		
City of Milpitas	138,978.10	140,759.44
City of Cupertino	101,518.58	103,039.59
City of Los Altos Hills	18,122.42	18,342.43
City of Saratoga	68,829.35	70,379.72
TOTALS	\$ 29,413,956.45	\$ 29,593,404.18

Upon receiving and reviewing the initial filing of SLESF Annual Reports, staff of the State Controller's Office found many reports to be incomplete or contain errors. Corrections were made by staff of the State Controller's Office, with concurrence of the county SLESF contact person via phone conversations. However, to assure that all information being reported by the State Controller's Office was reasonably accurate, a final certification letter was sent to all filing counties requesting the SLEOC Chairperson and the County Auditor indicate, with their signatures, approval of the amended SLESF Annual Reports. The State Controller's Office has not received the final certifications that all information being reported is complete and accurate from the following counties:

- Amador County
- Lassen County
- Marin County
- Mariposa County
- Nevada County
- Riverside County
- San Bernardino County
- Yolo County

Although Government Code Section 30062 states that administrative cost shall not exceed ½% of a recipient entity's SLESF allocation for that year, Fresno (via letter) and Santa Clara (via phone conversations), have stated a difference of opinion on how to calculate the ½% administrative overhead costs.

Most of the information and data presented herein have been extracted from reports filed by each county's SLEOC as required by law; such reports are not subject to audit by the State Controller.